

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES & EXCHANGE COMMISSION]	
]	No. 1:14-CV-11858-NMG
v.]	
]	
TELEXFREE, INC., et al.,]	
]	
Defendants, and]	
]	
TELEXFREE FINANCIAL, INC., et al.]	
]	
Relief Defendants.]	

**STATUS REPORT OF THE UNITED STATES DEPARTMENT OF
JUSTICE CONCERNING PARALLEL CRIMINAL PROCEEDINGS**

The United States Department of Justice, an intervenor in this matter, pursuant to an order of the Court, hereby submits this status report concerning the parallel criminal proceedings titled *United States v. James Merrill and Carlos Wanzeler*, No. 14-CR-40028-TSH.

On March 22, 2017, defendant James Merrill was sentenced to six years in prison, three years of supervised release, certain forfeitures and ordered to pay restitution to TelexFree's victims. By order of July 11, 2017 (#367), Merrill was ordered to pay restitution essentially in the total amount of verified claims submitted to the Bankruptcy Trustee by TelexFree victims in the ongoing claims process.

Merrill reported to the Bureau of Prisons on May 31, 2017. His co-defendant, Carlos Wanzeler, remains a fugitive in Brazil.

Respectfully submitted,

WILLIAM D. WEINREB
Acting United States Attorney

By: /s/ Andrew Lelling
Andrew E. Lelling
Neil J. Gallagher, Jr.
Assistant U.S. Attorneys

September 5, 2017

CERTIFICATE OF SERVICE

I hereby certify that this document, filed through the ECF system, will be sent electronically to the registered participants as identified on the Notice of Electronic Filing, and paper copies will be sent to those indicated as non-registered participants, on September 5, 2017.

/s/ Andrew Lelling
Andrew E. Lelling